



**REDUCING THE DEFICIT:
SPENDING AND REVENUE OPTIONS**

MARCH 1997

The Congress of the United States
Congressional Budget Office

NOTES

Unless otherwise indicated, all years referred to in this report are fiscal years.

Numbers in the text and tables of this report may not add to totals because of rounding.

Preface

This volume compiles some 200 specific policy options for reducing spending or increasing federal revenues in a wide variety of programs. It is the 18th such compendium that the Congressional Budget Office (CBO) has prepared as part of its annual report to the House and Senate Committees on the Budget.

The policy options included in this report come from many sources, and the Congress has considered most of them at some time in the past. In keeping with CBO's mandate to provide objective and impartial analysis, the discussion of each option presents the cases for and against it as fairly as possible. CBO does not endorse the options included, nor does exclusion of any proposal imply a recommendation for or against it.

The report begins with an introductory chapter that provides general background information on CBO's latest deficit projections and explains how to use the options presented in this volume. The next three chapters include more than 150 options for reducing spending, organized by broad categories that have become the focus for deficit reduction efforts--defense and international discretionary spending, domestic discretionary spending, and entitlement and other mandatory spending. The fifth chapter presents several integrated packages of options for reducing the growth of spending for Medicare and Medicaid instead of a series of individual policy options. The discussion highlights the trade-offs and interactions that must be considered when combining detailed policies into comprehensive proposals. The last chapter presents 39 revenue-generating options. The report concludes with an appendix listing the spending options by the budget functions that would be affected, and a glossary of budget and economic terms.

All divisions of the Congressional Budget Office contributed to this report, which was coordinated by James L. Blum. Edward Davis prepared Chapter 1. The options presented in Chapters 2 through 4 and Chapter 6 were coordinated by Mark B. Booth, David H. Moore, R. Mark Musell, Constance Rhind, and R. William Thomas. Joseph R. Antos and Linda Bilheimer prepared Chapter 5. Budget authority and outlay estimates were coordinated by Paul R. Cullinan, Peter H. Fontaine, Michael A. Miller, and Murray N. Ross. The staff of the Joint Committee on Taxation prepared most of the revenue estimates.

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March 1997

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